



July 29, 2010

Dear Savings and Income Plan Participant,

This Summary of Material Modifications summarizes recent changes to the Sandia Corporation Savings and Income Plan ("SIP"). This notice lists the four changes to the plan since the January 1, 2009 Summary Plan Description (SPD) was issued and should be kept as a supplement to the SPD.

1. **Military Service:** The Heroes Earnings Assistance and Relief Act requires that if a participant dies while performing qualified military service, survivors of that participant are entitled to any additional benefits provided under the plan had the participant resumed and then terminated employment on account of death.
2. **Employee Contributions:** Effective January 1, 2010, the contribution limit was increased from 18% to 25%.
3. **Beneficiaries following a divorce:** A divorce will not automatically make null and void any designation of your former spouse as your beneficiary. If you wish to remove a former spouse as your beneficiary after a divorce, you must complete a new Beneficiary Designation Form.

4. **Investment Options:**

The BGI LifePath ® Index M Portfolios were renamed as the BlackRock LifePath ® Index M Portfolios

The LifePath ® 2010 Portfolio was removed 12/31/09

The LifePath ® 2050 Portfolio (Fund Code OJC1) became available 12/31/09

The SSgA Passive Bond Market Index Fund was renamed as the SSgA US Bond Index Securities Lending Series Fund – Class II

The BGI All Country World Index (ACWI) XUS Index Fund was renamed as the BTC All Country World Index (ACWI) XUS Index Fund